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UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA

v.

FREDRIC M. DIANTONIO,
LOUIS V. CATARRO,
KATHRYN W. LOCKWOOD, and
THOMAS E. MORELLO

:
: Criminal No. 13- 74 RMB
:
: 18 U.S.C. §§ 1010,
: 1349, 1956(h) & 2
:
:
: I N D I C T M E N T

The Grand Jury in and for the District of New Jersey,
sitting at Camden, charges:

COUNT 1

(Conspiracy To Commit Wire Fraud)

The Defendants and Co-conspirators

1. At all times relevant to this Indictment:

(a) Defendant FREDRIC M. DIANTONIO was a resident of New Jersey, co-owned the real estate agency, Blue Ocean Realty, located in Wildwood, New Jersey, and was a licensed realtor in the State of New Jersey.

(b) Defendant LOUIS V. CATARRO was a resident of New Jersey, co-owned Blue Ocean Realty, and was a licensed realtor in the State of New Jersey.

(c) Defendant KATHRYN W. LOCKWOOD was a resident of New Jersey, co-owned the real estate agency, Hoffman Agency North, located in North Wildwood, New Jersey, and was a licensed realtor in the State of New Jersey.

(d) Defendant THOMAS E. MORELLO was a resident of New Jersey and formed Bay Breeze Development, a limited liability company, for the development of real estate in North Wildwood, New Jersey.

(e) John C. Lucidi, Jr., who is named as a co-conspirator but not as a defendant herein, resided in Pennsylvania, was employed as a mortgage broker in Pennsylvania, and held himself out to be a provider of real estate investors.

(f) L.D., who is named as a co-conspirator but not as a defendant herein, resided in New Jersey, was an attorney licensed in the State of New Jersey, was a real estate developer, and formed Sun Ray Beach Developers and Thunderbird Development, limited liability companies, for the development of real estate in North Wildwood, New Jersey.

(g) B.V., who is named as a co-conspirator but not as a defendant herein, resided in New Jersey, and was employed as a licensed realtor by Oceanside Realty located in North Wildwood, New Jersey.

(h) J.B., who is named as a co-conspirator but not as a defendant herein, resided in New Jersey, and was employed as a licensed realtor by Blue Ocean Realty.

(i) Michael J. Smith, who is named as a co-conspirator but not as a defendant herein, resided in Pennsylvania.

(j) Shawn Perkins, who is named as a co-conspirator

but not as a defendant herein, resided in Pennsylvania.

(k) James J. Esposito, Jr., who is named as a co-conspirator but not as a defendant herein, resided in Pennsylvania.

(l) Simon H. Aouad, who is named as a co-conspirator but not as a defendant herein, resided in Pennsylvania, and held himself out to be a provider of real estate investors.

(m) Eric Maratea, who is named as a co-conspirator but not as a defendant herein, resided in Pennsylvania.

(n) Eric Itzi, who is named as a co-conspirator but not as a defendant herein, resided in Pennsylvania.

(o) Timothy Cook, who is named as a co-conspirator but not as a defendant herein, resided in Pennsylvania.

Other Individuals And Entities

2. At all times relevant to this Indictment:

(a) Advisors Mortgage Group, LLC ("Advisors Mortgage Group") was engaged in the business of making mortgage loans and had offices located in Manasquan, New Jersey.

(b) Challenge Financial Investors Corporation ("Challenge Financial Investors") was engaged in the business of making mortgage loans and had offices located in St. Petersburg, Florida.

(c) Chase Bank USA ("Chase Bank") was engaged in the

business of making mortgage loans and had offices located in Woodcliff Lake, New Jersey.

(d) CitiMortgage was engaged in the business of making mortgage loans and had offices located in O'Fallon, Missouri.

(e) First Guaranty Mortgage Corporation ("First Guaranty") was engaged in the business of making mortgage loans and had offices located in McLean, Virginia.

(f) First Magnus Financial Corporation ("First Magnus") was engaged in the business of making mortgage loans and had offices located in Tucson, Arizona.

(g) Lime Financial Services, Ltd. ("Lime Financial Services") was engaged in the business of making mortgage loans and had offices located in Lake Oswego, Oregon.

(h) Mortgage Lenders Network USA, Inc. ("Mortgage Lenders Network") was engaged in the business of making mortgage loans and had offices located in Middletown, Connecticut.

(i) National City Bank was insured by the Federal Deposit Insurance Corporation, was engaged in the business of making mortgage loans, and had offices located in Cleveland, Ohio.

(j) New Century Mortgage Corporation ("New Century Mortgage") was engaged in the business of making mortgage loans and had offices located in Irvine, California.

(k) PNC Bank was insured by the Federal

Deposit Insurance Corporation, was engaged in the business of making mortgage loans, and had offices located in Pittsburgh, Pennsylvania.

(l) Mutual Title Agency was a title company at which real estate transactions took place and had offices in Ocean City, New Jersey.

(m) Rhino Settlement Services, Inc. was a title company at which real estate transactions took place and had offices in Lancaster, Pennsylvania.

(n) Shore Title Agency was a title company at which real estate transactions took place and had offices in North Wildwood, New Jersey.

(o) Silk Abstract Company was a title company at which real estate transactions took place and had offices in Plymouth Meeting, Pennsylvania.

(p) A.A. was a resident of Pennsylvania.

(q) R.A. was a resident of Pennsylvania.

(r) A.B. was a resident of Pennsylvania.

(s) R.B. was a resident of New Jersey, a real estate builder, and co-owner of Sun Ray Beach Developers and Thunderbird Development.

(t) J.G. was a resident of New Jersey, a real estate developer, and formed Poplar Avenue Development and Avalon Aerospace, limited liability companies, for the development of

town home projects located on Poplar Avenue in Wildwood, New Jersey.

- (u) C.H. and E.H. were residents of Pennsylvania.
- (v) B.K. was a resident of New York.
- (w) J.K. was a resident of Pennsylvania.
- (x) T.K. and V.K. were residents of Pennsylvania.
- (y) J.L. Sr. and K.L. were residents of Pennsylvania.
- (z) J.L.-1 was a resident of New Jersey.
- (aa) L.M. was a resident of Pennsylvania.
- (bb) N.M. was a resident of Pennsylvania.
- (cc) S.P. was a resident of Pennsylvania.
- (dd) C.R. and T.R. were residents of Pennsylvania.
- (ee) Z.R. was a resident of New Jersey.
- (ff) B.S.J. was a resident of New York.
- (gg) G.V. and S.V. were residents of Pennsylvania.
- (hh) D.L. was a resident of Pennsylvania.

Mortgage Lending Generally

3. Mortgage loans were loans funded by banks and other financial institutions ("Lenders") to enable purchasers to finance the purchase of real estate. To apply for a mortgage loan, purchasers/borrowers typically filled out several forms, including a form called the Uniform Residential Loan Application.

Lenders evaluated and relied upon the financial representations contained in the Uniform Residential Loan Application and other documents pertaining to the purchaser/borrower's income, assets, credit eligibility, and down payment requirements in deciding whether to loan a particular purchaser/borrower money for a mortgage. Lenders also evaluated and relied upon the representations in connection with the loan application pertaining to the purchaser/borrower's employment, and how the purchaser/borrower intended to use the property as a primary residence, secondary residence, or investment property. In addition, Lenders also assessed the value of the real estate that would secure the mortgage loan by reviewing and relying on property appraisals and other documents.

4. After locating an available property of interest, a purchaser/borrower typically applied for a mortgage loan through a mortgage Lender or a mortgage originator. Generally, mortgage brokers were third parties who acted as intermediaries between a purchaser/borrower and a pool of potential Lenders, one of which was selected based on the purchaser/borrower's financing needs and ability to repay the loan. Mortgage brokers were generally responsible for collecting documents from the purchaser/borrower in support of the mortgage loan, including the loan application. Additionally, the mortgage broker interviewed the proposed purchaser/borrower and obtained all pertinent data

including the borrower's name, date of birth, social security number, home address, monthly base employment income, employer, assets, and liabilities. Frequently, the mortgage broker made the initial loan to the purchaser/borrower and then sold it to a Lender after a short period of time, usually within thirty days after making the loan. Other times, the mortgage broker simply obtained and verified all of the relevant information for the Lender, including information on the Uniform Residential Loan Application, and the Lender made the mortgage directly to the borrower. A mortgage originator also assisted a purchaser/borrower to complete a mortgage transaction. Unlike a mortgage broker, a mortgage originator distributed its own money to fund the mortgage.

5. Real estate appraisers were responsible for determining the fair market value of real estate properties. Fair market value was defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, in which the buyer and seller act prudently and knowledgeably, assuming the price is not affected by undue stimulus.

6. Frequently, the mortgage loan was closed at a title company or an attorney's office. If a loan closed at a title company, the title company's escrow officers were responsible for depositing monetary instruments and funds

provided by the purchaser/borrower (including down payments) and mortgage funds from the Lender (which were typically obtained by wire transfer) or on its behalf to the title company's escrow account, and, when authorized by the parties to the transaction and the Lender, for disbursing the funds from the escrow account to various individuals and entities as detailed on the U.S. Department of Housing and Urban Development Settlement Statement (hereinafter "HUD-1 Settlement Statement"). The HUD-1 Settlement Statement detailed the actual disbursement of monies, including mortgage fund loans, to the proper entities and/or individuals according to the original loan application.

7. After the loan application was approved, the mortgage Lender caused funds to be transmitted (typically by wire transfer) to a settlement agent, such as a title company or a closing attorney. The title companies and/or closing attorneys then distributed the funds according to the HUD-1 Settlement Statements, generally with a large portion of the funds being distributed to the seller of the property. After funding the mortgages, the mortgage Lenders either serviced the loans during the mortgage period or sold them in the secondary market.

HUD's Federal Housing Administration Insurance Program To Promote Home Ownership

8. HUD was a department of the United States

Government that administered a mortgage insurance program to encourage private lenders to provide mortgage loans to buyers who did not have enough money or adequate credit to qualify for a conventional mortgage.

9. The Federal Housing Administration ("FHA") was the agency within HUD that administered HUD's mortgage insurance program. Loans within this program were often referred to as "FHA-insured" loans.

10. Under HUD's insurance program, the FHA insured home mortgages that private lenders provided to borrowers, thereby protecting the lenders from any loss in the event that the borrower defaulted on the loan. If a homeowner defaulted on payments on a FHA-insured loan, the lender foreclosed on the property, HUD paid the lender the balance due on the loan, and the lender tendered all right, title, and interest in the property to HUD. The FHA then took the steps necessary to sell the property and adsorbed any loss between the amount that HUD paid the lender on the loan and HUD's net proceeds on the re-sale.

11. By these means, HUD shifted the financial risk of issuing its insured mortgages from the lender to the taxpayers.

The Conspiracy

12. From in or about May 2006 through on or about June 26, 2008, at Wildwood, North Wildwood, and Ocean City, in Cape May County in the District of New Jersey, and elsewhere, defendants

FREDRIC M. DIANTONIO,
LOUIS V. CATARRO,
KATHRYN W. LOCKWOOD, and
THOMAS E. MORELLO

did knowingly and intentionally conspire and agree with others to devise a scheme and artifice to defraud, and to obtain money and property by means of materially false and fraudulent pretenses, representations, and promises, which scheme and artifice is set forth below in substance and in part, and for the purpose of executing such scheme and artifice, to transmit and cause to be transmitted by means of wire communications in interstate commerce certain writings, signs, signals, pictures, and sounds, contrary to Title 18, United States Code, Section 1343.

Object Of The Conspiracy

13. The object of the conspiracy, which caused over fifteen (15) million dollars in funds to be released from various lenders, most often in the form of a wire, was to profit from the sale of oceanfront condominiums overbuilt by financially distressed developers in Wildwood and North Wildwood, New Jersey, and other properties located in Wildwood and North Wildwood by

obtaining mortgage loans for unqualified borrowers using fraudulent loan applications, HUD-1 Settlement Statements, and other documents.

Manner And Means Of The Conspiracy

14. It was part of the conspiracy that defendants FREDRIC M. DIANTONIO and LOUIS V. CATARRO agreed to allow co-conspirator John C. Lucidi, Jr. to work as an unlicensed real estate agent at Blue Ocean Realty.

15. It was further part of the conspiracy that defendants FREDRIC M. DIANTONIO, LOUIS V. CATARRO, KATHRYN LOCKWOOD, and co-conspirator John C. Lucidi, Jr. located properties for sale in Wildwood and North Wildwood, New Jersey by real estate developers, such as defendant THOMAS E. MORELLO, co-conspirator L.D., and J.G., R.B., and J.L.

16. It was further part of the conspiracy that co-conspirator John C. Lucidi, Jr. induced individuals to purchase the properties in Wildwood and North Wildwood (the "buyers") by informing the individuals that they would receive cash back at closing and could flip the property at a later date for a profit.

17. It was further part of the conspiracy that defendants FREDRIC M. DIANTONIO, LOUIS V. CATARRO, KATHRYN W. LOCKWOOD, and co-conspirator John C. Lucidi, Jr., caused real estate sales contracts to be created and presented to the buyers

and sellers of the properties. The real estate sales contracts listed inflated sales prices and deposit monies from the buyers that were never collected.

18. It was further part of the conspiracy that defendant LOUIS V. CATARRO created addendums to the many of the real estate sales contracts which listed money the buyers would receive at closing but which would not be disclosed on the HUD-1 Settlement Statements.

19. It was further part of the conspiracy that the conspirators caused mortgage loan applications to be prepared and submitted to lenders without disclosing that a buyer was receiving a kickback for purchasing the property or that a buyer had not really made a deposit toward the purchase of the property.

20. It was further part of the conspiracy that the conspirators caused fraudulent documents to be signed at real estate closings, including HUD-1 Settlement Statements which failed to disclose that a buyer was receiving a kickback for purchasing the property or falsely stated that a deposit toward the purchase of the property had been collected.

21. It was further part of the conspiracy that the conspirators caused the lenders to fund mortgage loans for the buyers by wiring funds on behalf of the buyers to title companies

such as Mutual Title Agency, Rhino Settlement Services, Shore Title Agency, and Silk Abstract Company.

22. It was further part of the conspiracy that defendants FREDRIC M. DIANTONIO, LOUIS V. CATARRO, KATHRYN W. LOCKWOOD, and co-conspirator John C. Lucidi, Jr. caused the sellers of the properties, including defendant THOMAS E. MORELLO, co-conspirator L.D., and R.B., J.G., and J.L. to issue kickback checks to the buyers after the real estate transactions closed.

23. It was further part of the conspiracy that defendants FREDRIC M. DIANTONIO, LOUIS V. CATARRO, and KATHRYN W. LOCKWOOD caused themselves to be paid real estate broker sales commissions in connection with the real estate transactions.

Furthering The Conspiracy

24. In furtherance of the conspiracy and to effect its objects, its members committed and caused to be committed numerous transactions involving the properties, including those on or about the following dates involving the following

approximate amounts:

**a. Poplar Avenue Development and Avalon
Aerospace Properties**

Wire Date	Property	Lender	Mortgage Funds Released	Kickback Paid To Buyer Off HUD-1
06/7/06	317 E. Poplar Ave., Unit 100, Wildwood, NJ 08260	New Century Mortgage	\$333,108.80 \$83,980.00	\$30,000.00
06/9/06	317 E. Poplar Ave., Unit 200, Wildwood, NJ 08260	New Century Mortgage	\$344,659.64 \$85,180.00	\$40,000.00
08/18/06	317 E. Poplar Ave., Unit 201, Wildwood, NJ 08260	First Guaranty Mortgage	\$337,190.34 \$83,042.66	\$40,000.00
10/12/06	305 E. Poplar Ave., Unit 101, Wildwood, NJ 08260	World Savings	\$349,423.58	\$33,133.91
10/12/06	305 E. Poplar Ave., Unit 101, Wildwood, NJ 08260	National City Bank	\$83,613.60	
10/26/06	305 E. Poplar Ave., Unit 100, Wildwood, NJ 08260	New Century Mortgage	\$349,357.48 \$85,980.00	\$40,000.00
04/05/07	305 E. Poplar Ave., Unit 100, Wildwood, NJ 08260	First Magnus	\$493,415.32	

b. Bay Breeze Development Properties

Wire Date	Property	Lender	Mortgage Funds Released	Kickback Paid To Buyer Off HUD-1
11/27/06	2411 Surf Ave., North Wildwood, NJ 08260	New Century Mortgage	\$390,107.36 \$97,600.00	\$50,000.00
11/28/06	2403 Surf Ave., North Wildwood, NJ 08260	New Century Mortgage	\$393,078.42 \$97,600.00	\$50,000.00
12/08/06	2407 Surf Ave., North Wildwood, NJ 08260	Mortgage Lenders Network	\$391,961.38 \$98,484.97	\$50,000.00
12/08/06	2409 Surf Ave., North Wildwood, NJ 08260	National City Bank	\$143,983.60	
12/11/06	2409 Surf Ave., North Wildwood, NJ 08260	World Savings Bank	\$339,654.16	\$50,000.00
12/11/06	2405 Surf Ave., North Wildwood, NJ 08260	First Magnus Financial	\$484,584.58	\$50,000.00
12/13/06	2401 Surf Ave., North Wildwood, NJ 08260	First Magnus Financial	\$486,105.85	\$50,000.00
02/15/07	400 E. 24th Ave., North Wildwood, NJ 08260	National City Bank	\$96,278.90	
02/20/07	400 E. 24th Ave., North Wildwood, NJ 08260	Chase Bank	\$396,941.76	\$50,000.00
02/20/07	406 E. 24th Ave., North Wildwood, NJ 08260	First Magnus Financial	\$494,819.15	\$60,000.00
04/02/07	402 E. 24th Ave., North Wildwood, NJ 08260	First Magnus Financial	\$482,300.61	\$50,000.00
06/20/07	2401 Surf Ave., North Wildwood, NJ 08260	Challenge Financial	\$491,575.69 \$123,076.45	\$60,000.00

Bay Breeze Development Properties Cont.

Wire Date	Property	Lender	Mortgage Funds Released	False Deposit Listed On HUD-1
04/05/07	2409 Surf Ave., North Wildwood, NJ 08260	Citi Mortgage	\$537,494.70	\$59,200.00
04/18/07	2411 Surf Ave., North Wildwood, NJ 08260	First Magnus Financial	\$497,384.78 \$92,619.04	\$30,950.00
05/15/07	2405 Surf Ave., North Wildwood, NJ 08260	Challenge Financial	\$552,458.08	\$61,900.00
06/15/07	400 E. 24th Ave., North Wildwood, NJ 08260	Challenge Financial	\$521,245.94	\$58,300.00
10/19/07	2407 Surf Ave., North Wildwood, NJ 08260	PNC Bank	\$186,015.25	\$30,950.00
10/19/07	2403 Surf Ave., North Wildwood, NJ 08260	PNC Bank	\$186,015.25	\$30,950.00
10/30/07	406 E. 24th Ave., North Wildwood, NJ 08260	PNC Bank	\$142,753.00	\$61,900.00

c. Thunderbird Development Properties

Wire Date	Property	Lender	Mortgage Funds Released	False Deposit Listed On HUD-1
05/23/07	404 E. 23rd Ave., Unit 19, North Wildwood, NJ 08260	Challenge Financial	\$613,995.00 \$76,829.65	\$77,000.00
06/6/07	2303 Surf Ave., Unit 2, North Wildwood, NJ 08260	Challenge Financial	\$626,190.60	\$118,000.00

d. Sun Ray Beach Developers Properties

Wire Date	Property	Lender	Mortgage Funds Released	False Deposit Listed On HUD-1
06/29/07	414 E. 24th Ave., North Wildwood, NJ 08260	World Savings Bank	\$474,809.92	\$26,105.00
07/27/07	416 E. 24th Ave., Unit 200, North Wildwood, NJ 08260	Challenge Financial	\$452,547.73	\$51,900.00

Wire Date	Property	Lender	Mortgage Funds Released	Kickback Paid To Buyer Off HUD-1
06/29/07	410 E. 24th Ave., North Wildwood, NJ 08260	Lime Financial	\$538,197.94	\$119,000.00

e. Other North Wildwood, New Jersey Properties

Wire Date	Property	Lender	Mortgage Funds Released	Kickback Paid To Buyer Off HUD-1
07/5/07	429 E. 25th Ave., Unit 103, North Wildwood, NJ 08260	Challenge Financial	\$524,140.66 \$132,622.36	\$30,000.00 \$54,005.61

Wire Date	Property	Lender	Mortgage Funds Released	False Deposit Listed On HUD-1
07/26/07	429 E. 25th Ave., Unit 104, North Wildwood, NJ 08260	First Magnus Financial	\$389,841.56 \$216,075.00	\$66,900.00
07/31/07	337 E. 20th Ave., Unit B, North Wildwood, NJ 08260	Challenge Financial	\$491,990.67 \$143,508.86	\$79,079.00

In violation of Title 18, United States Code, Section 1349.

COUNT 2

(Conspiracy To Commit Money Laundering)

1. Paragraphs 1 through 11 and 13 through 24 of Count 1 of this Indictment are hereby realleged and incorporated as though set forth in full herein.

2. From in or about June 2006 through on or about June 26, 2008, in the District of New Jersey and elsewhere, defendants

FREDRIC M. DIANTONIO,
LOUIS V. CATARRO, and
KATHRYN W. LOCKWOOD

did knowingly conspire with each other and others to engage in monetary transactions, namely, deposits, withdrawals, transfers and exchanges of U.S. currency and monetary instruments, through financial institutions affecting interstate commerce, in criminally derived property of a value greater than \$10,000 that was derived from specified unlawful activity, namely, conspiracy to commit wire fraud and wire fraud, contrary to Title 18, United States Code, Section 1957.

3. As part of the conspiracy, defendants FREDRIC M. DIANTONIO, LOUIS V. CATARRO, and KATHRYN W. LOCKWOOD and their co-conspirators caused more than \$15 million dollars in fraudulent mortgage loans to be funded during 2006, 2007, and 2008 to enable unqualified individuals to purchase real estate properties. Once the funds for these mortgages were deposited

into a title company's escrow account, defendants FREDRIC M. DIANTONIO and LOUIS V. CATARRO, and defendant KATHRYN W. LOCKWOOD, extracted proceeds from the fraud through checks payable to their companies, Blue Ocean Realty and Hoffman Agency North, respectively.

4. As further part of the conspiracy, defendants FREDRIC M. DIANTONIO, LOUIS V. CATARRO, and KATHRYN W. LOCKWOOD caused the following checks to be deposited for the following approximate amounts:

a. Proceeds Associated with Sales of the Poplar Avenue Development and Avalon Aerospace Properties

Date of Monetary Transaction	Amount	Received By
06/07/06	\$10,497.50	Blue Ocean Realty
06/09/06	\$10,647.50	Blue Ocean Realty
08/21/06	\$10,500.00	Blue Ocean Realty

b. Proceeds Associated with the Bay Breeze Development Properties

Date of Monetary Transaction	Amount	Received By
02/20/07	\$15,000.00	Blue Ocean Realty
04/02/07	\$15,000.00	Blue Ocean Realty
10/30/07	\$15,035.00	Blue Ocean Realty

**c. Proceeds Associated with the Thunderbird
Development Properties**

Date of Monetary Transaction	Amount	Received By
05/23/07	\$23,100.00	Blue Ocean Realty
05/23/07	\$23,100.00	Hoffman Agency North
06/06/07	\$19,050.00	Blue Ocean Realty
06/06/07	\$19,050.00	Hoffman Agency North

**d. Proceeds Associated with Sun Ray Beach
Developers Properties**

Date of Monetary Transaction	Amount	Received By
06/29/07	\$13,770.00	Blue Ocean Realty
07/02/07	\$16,630.00	Blue Ocean Realty
07/25/07	\$12,920.00	Blue Ocean Realty
12/31/07	\$13,770.00	Blue Ocean Realty
06/25/08	\$11,550.00	Blue Ocean Realty

**e. Proceeds Associated with Other North
Wildwood, New Jersey Properties**

Date of Monetary Transaction	Amount	Received By
07/09/07	\$16,500.00	Blue Ocean Realty
07/09/07	\$11,000.00	Hoffman Agency North
07/27/07	\$17,250.00	Blue Ocean Realty
07/27/07	\$11,500.00	Hoffman Agency North
08/01/07	\$31,035.00	Blue Ocean Realty

In violation of Title 18, United States Code, Section
1956(h) .

COUNT 3

(False Statements To HUD)

1. Paragraphs 1 through 11 and 13 through 24 of Count 1 of this Indictment are hereby realleged and incorporated as though set forth in full herein.

2. On or about May 20, 2008, in the District of New Jersey and elsewhere, defendants

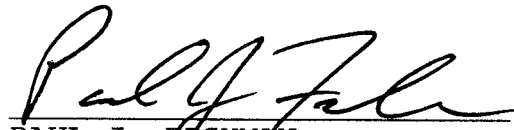
FREDRIC M. DIANTONIO, and
LOUIS V. CATARRO,

for the purpose of obtaining a loan with the intent that such loan be offered and accepted by the Department of Housing and Urban Development for insurance, knowingly made, and aided and abetted and caused the making of, false statements, in that the defendants submitted, and aided and abetted and caused the submission of, a false HUD-1 Settlement Statement which represented that the buyer supplied a \$14,100 deposit in connection with the purchase of the property located at 408 East 24th Avenue, North Wildwood, New Jersey 08260 which was financed by a mortgage for which the Advisor's Mortgage released \$459,855.45 in mortgage funds.

In violation of Title 18, United States Code, Sections 1010 and 2.

A TRUE BILL

FOREPERSON



PAUL J. FISHMAN
UNITED STATES ATTORNEY

CASE NUMBER: _

**United States District Court
District of New Jersey**

UNITED STATES OF AMERICA

v.

**FREDRIC M. DIANTONIO,
LOUIS V. CATARRO,
KATHRYN W. LOCKWOOD, and
THOMAS E. MORELLO**

INDICTMENT FOR

**Title 18, United States Code,
Sections 1010, 1349, 1956(h) & 2**

A True Bill,

Foreperson

PAUL J. FISHMAN
U.S. ATTORNEY
NEWARK, NEW JERSEY

MATTHEW T. SMITH
ASSISTANT U.S. ATTORNEY
(856) 757-5026

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(Ed. 1/97)
